



**Annual Report of the
The Committee on the Purchase of
Goods and Services from Community
Rehabilitation Organizations
for Fiscal Year 2017**

Required by Section 296 of Public Act 372 of 2010

Prepared for
House and Senate Appropriations Committees

Department of Technology, Management and Budget
Procurement
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Introduction

The essential difference between commercial business and community rehabilitation organizations is the goal of the latter to provide employment opportunities for people with disabilities. People with disabilities currently experience a higher rate of unemployment than people without disabilities. Recognizing this fact, the Michigan Legislature enacted a Bill in 1978, amended in 2010, which created a “set aside” program whereby nonprofit community rehabilitation organizations would be given preferential treatment in providing goods and services to the state of Michigan. Contracts are then performed by community rehabilitation organizations, employing people with disabilities.

A Unique Partnership

The “set aside” program to purchase goods and services from community rehabilitation organizations serving people with disabilities represents a unique partnership between government (public) and the private, nonprofit sector. The provision of goods and services by community rehabilitation organizations to the state creates employment opportunities for Michigan residents with significant disabilities.

Procurement practices at both the state and federal levels have long been used to promote a variety of values and outcomes that society desires. In all cases, the major objective is to increase the target group’s economic self-sufficiency.

The U.S. Department of Labor’s October 2017 statistics indicate a 7.6% unemployment rate for people with disabilities – down from 15.0% in 2011. The unemployment rate is 3.7% rate for people without disabilities – down from 8.7% in 2011. The October 2017 Labor Force Participation Rate was 21.0% or people with disabilities, and 68.3% for people without disabilities. Community rehabilitation organizations will continue to meet the employment and training needs of individuals with disabilities throughout Michigan.

The social purpose of community rehabilitation organizations drives them to help people with disabilities maximize their productivity and employability. The ultimate goal of community rehabilitation programs is to transition their workers to the competitive labor force.

The Committee on the Purchase of Goods and Services from Community Rehabilitation Organizations.

The “set aside” legislation establishes a committee whose duties are outlined in §18.1296. The committee considers requests from community rehabilitation organizations for state contracts to be placed on “set aside.” The committee also works with Department of Technology, Management & Budget (DTMB)-Procurement to establish fair market prices for goods and services placed on “set aside”.

Program Impact, FY 2017

In fiscal year 2017, eight nonprofit community rehabilitation programs provided services or goods through the set aside program.

Providing goods and services to the state through the “set aside” program resulted in

- 141 full time and 254 part time jobs for people with disabilities.
- Total wages of over \$3.1 million paid to people with disabilities.

FY 2017 CRO Set Aside Report

Organization	Contract Number	Building	Address	# Full Time Employees with Disabilities	# Part Time Employees with Disabilities	Total wages paid to people with disabilities on this contract	Disability hours	Total hours	Disability %
Navigations	511B6600001	FCEC	BLdg 2900 Augusta, MI 49012	1	8	\$121,473.38	8,678.45	11,159.31	77.8%
Grand Traverse Ind.	071B2200249	N/A	NA	0	67	\$ 20,808.36	2338	2338	100.0%
Grand Traverse Ind.	071B7700156	N/A	N/A	0	45	\$ 13,250.36	1489	1489	100.0%
STEP	071B3200126	MDOT Service Center	1060 W.Fort St., Detroit, MI 48226	0	9	\$28,661.65	3037	3037	100.0%
SVRC		Flint State Office Bldg	125 E. Union, Flint 48502	0	6	\$57,188.57	5,148	5227.75	98.5%
SVRC		Hart State Office Bldg		0	15	\$45,375.91	6,489	6853.25	94.7%
Hope Network	071B3200051	Grand Rapids State	350 Ottawa Ave NW Grand Rapids MI 49503	5	5	\$9,276.75	1,030.75	1,128.60	91.3%
Goodwill Southwest MI	071B2200124	DHS Kalamazoo Co	1312 Oakland Drive Kalamazoo, MI 49008	4	1	\$ 36,736.12	3942.48	4346.1	90.7%
Goodwill Southwest MI	071B1300044	MDOT Southwest R	1501 Kilgore Rd. Kalamazoo, MI 49001	3	0	\$ 2,947.97	320.42	320.42	100.0%
Goodwill Southwest MI	071B1300045	MDOT Kalamazoo Transportation Service Center	5372 South 9th St Kalamazoo, MI 49009	2	0	\$ 1,863.02	214.05	214.05	100.0%
Goodwill Southwest MI	071B1300046	Kalamazoo Psychia	322 E. Stockbridge Ave Kalamazoo, MI 49001	6	1	\$ 62,288.80	6592.62	6860.53	96.1%
JVS	071B3200097	Cadillac Place	3044 W. Grand Blvd Detroit, MI 48202	12	21	\$ 409,371.40	44,183	49,448	89.4%
Peckham	071B7700138	Multiple	Sites	108	76	\$ 2,379,701.14	265,542.39	286,598.75	92.7%
TOTALS				141	254	\$3,188,943.43	349,005.24	379,020.76	92.1%